

USDA



Nebraska Farm Service Agency

Producer News

October 2005

SED Comments

Thank you to everyone who attended the USDA Farm Bill Forum at Husker Harvest Days on Sept. 15. An estimated 500 people attended the event and had the opportunity to provide comments directly to U.S. Secretary of Agriculture Mike Johanns.



Brian Wolford
State Executive Director

Written comments were also collected and sent to USDA for review. This was a great opportunity to provide your input on this important legislation that will affect our nations' farmers well into the future.

If you would like to comment on the upcoming farm bill discussions you may do so at <http://www.usda.gov> and click on Farm Bill Forum.

Price support programs are a very important part of the Farm Service Agency mission. Nebraska FSA issued over 155,000 loan deficiency payments on 2004 crops for a total benefit to producers of \$320 million.

The agency is streamlining the LDP process by introducing the form 633EZ and by allowing producers to request payments online. Approved eLDP requests can be deposited directly to your bank. Please visit with your local FSA office staff for more information on the best approach for you to request LDPs.

The Platte Republican Conservation Reserve Enhancement Program is off to a great start as we are already over half way to our 100,000-acre goal. CREP is a voluntary water conservation program targeted toward landowners in the Platte River and Republican River basins.

The goal is to conserve water by offering landowners an alternative to their current cropping operation. By entering this program, the landowner can receive irrigated rental

rates and incentive payments while conserving Nebraska's surface water and ground water. For more information, please visit your FSA office, your Natural Resource District office or logon to <http://www.fsa.usda.gov/ne>.

You may have read about the potential for FSA office closings around the country. The Farm Service Agency is currently looking at what our future holds and how we can best position ourselves to serve producers in the years to come.

I am very proud of our Nebraska FSA staff and their commitment to serving your needs. They work extremely hard and have an unparalleled passion for carrying out the FSA mission.

FSA Tomorrow is the approach this agency is taking to establish better staffed, better equipped and better trained offices around the country with the ultimate goal of improving our service to producers.

I wish you all a safe harvest.

2006 NAP Sign-up Deadline for Grass, Certain Perennial Crops

The Non-Insured Crop Disaster Assistance Program (NAP) can soften financial losses caused by natural disasters, but only if you've applied for coverage and paid the application fee. The application deadline dates for certain 2006 NAP crops are as follows: Dec. 1 for apples, asparagus, cherries, grapes, honey and plums; and March 15, 2006 for barley, oats, potatoes and spring seeded vegetables.

NAP kicks in when natural disasters result in a catastrophic loss of production or prevented planting of an eligible crop.

NAP coverage is equivalent to that provided Catastrophic Risk Protection Plan (CAT) insurance and is available for commercial crops or agricultural commodities produced

for food or fiber for which CAT is not available. NAP coverage is not available for livestock.

Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods.
- File a Notice of Loss within 15 days of when the loss is apparent.

Faxing LDP Documents

For a faxed LDP request to be considered valid and complete, signatories must have an FSA-237 facsimile signature authentication on file with the Farm Service Agency.

The FSA-237 may be completed at any county FSA office. Retain a copy of your fax transmission log as documentation to verify that the faxed LDP was received.

An incomplete transmission that is not received is not a valid LDP request.

Hard White Wheat Program

The Hard White Wheat Incentive Program, based on funding, may provide two payments to producers. Currently the incentive payment of \$0.20 for each bushel of eligible hard white wheat produced and marketed by May 31, 2006, with a maximum of 60 bushels per acre will be paid.

The certified seed incentive payment of \$2.00 per acre for each acre planted to certified seed will not be paid until after May 31, 2006, and a determination is made whether funding is adequate.

Producers do not have to plant certified seed to receive the production incentive payment. The hard white wheat must be marketed before applying.

The application period for the production incentive for the 2005 crop runs through May 31, 2006.

Reporting NAP Losses

If you've applied for coverage under the Noninsured Crop Disaster Assistance Program (NAP) *and* suffer a loss or damage, don't forget that your local county office staff must be notified within 15 days of the:

- latter of the occurrence of prevented planting or end of the planting period, or
- disaster occurrence or date damage to the specific crop acreage is apparent to the producer.

The timely reporting of a loss or damage is important. Failure to timely file a notice of loss can result in a determination of ineligibility for NAP payments.

Late-filed reports may be approved only if the cause and extent of crop damage can be determined by a field inspection.

A notice of loss must be filed on a form CCC-576. Separate CCC-576s must be filed for each crop and type, or variety of the crop, affected by a weather-related event or adverse natural disaster occurrence.

Subsequent weather events affecting the same crop must also be reported, but will be documented on the previously filed CCC-576.

A field inspection of your acreage may be necessary. If so, the county office staff will generally schedule one within five calendar days of the date of the notice of loss.

If you plan to destroy the crop, the entire acreage must first be inspected.

Acreage destroyed prior to an inspection or without consent of the county office staff will be ineligible for payment.

LDPs for Silage or Hay

A number of producers are harvesting commodities as silage or hay, and that has raised questions about applying for marketing assistance loans and loan deficiency payments.

When loan commodities are harvested as other than grain (silage or hay), they are not eligible for commodity loans, but they are eligible for LDPs as long as they are mechanically harvested.

For purposes of LDPs, loan commodities harvested as silage or hay are treated the same as those harvested as grain.

The producer must retain beneficial interest through the date the LDP is requested.

LDPs must be requested on a form CCC-633 LDP for stored commodities or a form CCC-709 filed prior to harvest for commodities immediately delivered to a feedlot or fed during harvest or a CCC-633 EZ could cover you in either situation.

Nebraska Farm Service Agency

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LDP Deadline on Unshorn Lamb Pelts

Eligible producers have until Jan. 31, 2006, to apply for loan deficiency payments for unshorn pelts produced during the 2005 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter.

Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or in which they have an interest.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

Marketing Assistance Loans, LDPs

Marketing assistance loans and loan deficiency payments can mean the difference between a good year and a not-so-good year for producers. With that in mind, it's important to comply with the rules.

To be eligible for loans and LDPs, producers must:

- comply with conservation and wetland protection requirements;
- report how they use their cropland acreage on the farm;
- have beneficial interest in the commodity on the date the loan or LDP is requested and, in the case of a loan, retain beneficial interest while the loan is outstanding;
- ensure that the commodity meets CCC minimum grade and quality standards.

Beneficial interest means the producer retains control, has the ability to make

a decision about the commodity, is responsible for loss or damage to the commodity and has title to the commodity.

Once beneficial interest in a commodity is lost, the commodity is ineligible for loan or LDP — even if the producer regains beneficial interest.

For commodities to be eligible for loans or LDPs, they must have been produced by an eligible producer, be in existence and in a storage condition and be merchantable as determined by CCC. Producers must maintain the quality of the commodity in farm storage throughout the term of the loan.

Substituted grain is not eligible for price support. If a commodity a producer wants to pledge as collateral for loan or LDP is not the grain produced and harvested by the eligible producer, but was merely exchanged for a quantity of the commodity produced and harvested by the eligible producer, it is ineligible for Price Support because it is a substitution.

Another example would be where grain is shipped direct delivery off the farm and not dumped at the warehouse but the producer is given a storage position at the elevator. Since the grain is not physically deposited at the warehouse it would be considered substitution and be ineligible for price support.

Starting with the 2003 crop, individuals and entities whose previous three-year average adjusted gross income, or AGI, exceeds \$2.5 million are ineligible for LDPs and market loan gains unless they can show that at least 75 percent of their AGI comes from agriculture.

The 2002 Farm Bill set limits on payments a "person" can receive. The total of LDPs and market loan gains received by a producer is limited to \$75,000 for each crop year.

Participation in the Direct and Counter-cyclical Program is not re-

quired to be eligible for loans or LDPs. However, the crop acreage must be certified.

Violating provisions of the loan and LDP program may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans and LDPs.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization or providing an incorrect quantity certification.

CRP Initiatives

The Farm Service Agency introduced two new Conservation Reserve Program initiatives in August 2004: the Northern Bobwhite Quail Habitat Initiative and the Wetlands Restoration Initiative.

Northern Bobwhite Quail Initiative aims to create early successional grass buffers along agricultural field borders.

The initiative is limited to 250,000 acres, so enrollment is targeted to specific geographic areas in 35 states that have the greatest potential to restore bobwhite quail habitat. Nebraska has been allocated 6,000 acres.

To be eligible, cropland must be suitably located and adaptable to the establishment of bobwhite quail. Other criteria also apply, so ask the county office staff for details.

FSA estimates the program will provide \$125 million in payments to participants through 2007.

Payments include signing incentives of up to \$100 per acre, Practice Incentive Payments of up to 40 percent of the eligible establishment cost, cost-share assistance of up to 50 percent of eligible reimbursable costs, and annual rental payments and maintenance costs.

Wetlands Restoration Initiative

aims to restore 250,000 acres of wetlands and playa lakes that are located outside of the 100-year floodplain.

Landowners in 48 contiguous states and Hawaii are eligible. Acreage for the initiative has been allocated on a state-by-state basis, with 14,000 acres allocated to Nebraska.

FSA estimates the program will provide \$200 million in payments to participants through 2007.

FSA will offer participants an incentive payment equal to 25 percent of the cost of restoring the hydrology of the site, an annual rental payment and cost-share assistance of up to 50 percent of eligible practice installation costs.

Enrollment is limited to wetlands, including playa lakes, that are beyond the 100-year floodplain.

The wetlands must not be currently eligible for enrollment in either CRP continuous sign up practice CP23, Wetland Restoration, or the Farmable Wetlands Program.

Sign up began on Oct. 1, 2004, for both initiatives, and will run continuously until 250,000 acres have been enrolled under each initiative or Dec. 31, 2007, whichever comes first.

CCC-633EZ Loan Deficiency Payment Process

The Farm Service Agency unveiled a new streamlined process that makes it easier for agricultural producers to receive loan deficiency payments.

In the past, some producers have been unable to collect LDPs because they lost beneficial interest in the commodity before completing the required paperwork. Producers will now be able to fill out the new CCC-633 EZ form page 1 annually to express their intentions of receiving LDPs for eligible crops. This will help to ensure produc-

<i>Dates to Remember</i>	
Oct. 1	2006 DCP sign up begins
Oct. 10	Columbus Day Holiday. FSA offices closed.
Nov. 8	County Committee ballots mailed to voters
Nov. 11	Veterans Day Holiday. FSA offices closed.
Nov. 24	Thanksgiving Holiday. FSA offices closed.
Dec. 1	NAP application closing date for apples, asparagus, cherries, grapes, honey and plums
Dec. 6	Last day to return county committee election ballots
Dec. 26	FSA offices closed for Christmas holiday
Continues	Farm Storage Facility Loans

ers receive benefits and meet all eligibility requirements for LDPs.

Previously, producers had to complete and submit a CCC-633 LDP or a CCC-709, Field Direct, LDP form prior to losing beneficial interest in the harvested commodity in order to receive LDP benefits. Producers may now fill out the new CCC-633 EZ form page 1 each year to receive LDP benefits for eligible crops on all their farms and submit page 2 of the new form when the producer requests LDPs.

A producer must have beneficial interest in the commodity at the time the CCC-633 EZ page 1 is completed and submitted to the FSA office. A producer retains beneficial interest in the commodity if all of the following remain with the producer: day-to-day control of the commodity, insurable risk of loss and title to the commodity.

Either at the time a producer first submits the CCC-633 EZ page 1, or any time before the final loan availability date, the producer must request a payment using page 2 for a specific quantity and provide acceptable production evidence. The LDP rate will be based on the earlier of the:

- Date of request for payment, when beneficial interest is maintained; or
- Date beneficial interest is lost.

LDPs are obtained by producers who are eligible to obtain marketing assistance loans, but who agree to forgo

the loans. By filing a CCC-633 EZ page 1, producers do not preclude themselves from obtaining marketing assistance loans on applicable crops. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the alternative loan repayment rate for the respective commodity.

FSA developed the new form to help ensure that agricultural producers obtain LDPs when they are requested and when producers still have beneficial interest. In the past, some farmers inadvertently lost beneficial interest in their commodities before requesting LDPs, making them ineligible to receive any benefits. The form will be effective for the 2005 and subsequent crop years. For the 2005 crop, FSA county offices will also continue to

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accept CCC-709 field direct delivery and CCC-633 LDPs.

The CCC-633EZ is available online at <http://www.fsa.usda.gov/dafp/psd> and <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

eLDP Service Available

Producers who are connected to the Internet can now stay home and apply for an Electronic Loan Deficiency Payment, or eLDP, for stored grain 24 hours a day, seven days a week. The producers will receive approval and payment by direct deposit within 48 hours.

To participate in the new service, you must meet all eligibility requirements for marketing assistance loans and LDPs for the commodity. You must also establish a customer profile at the county office.

You must have an active USDA eAuthentication level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov/>, followed by a visit to the county office for identify verification.

Create your customer profile request at the county office and provide the quantity of grain in storage you wish to eLDP. A CCC-633EZ (page 1) should also be completed.

You must have an e-mail address, direct deposit and set up a customer profile through the county Farm Service Agency office.

The voluntary eLDP service has stringent security measures to protect your private information.

Loans Available for Beginning Farmers, Socially Disadvantaged

The Farm Service Agency can help beginning farmers and or members of

socially disadvantaged groups to finance agricultural enterprises.

FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person whom:

- Has operated a farm for not more than 10 years;
- Will materially and substantially participate in the operation of the farm;
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA;
- Does not own a farm in excess of 30 percent of the county's average size.

Each member of an entity must meet the eligibility requirements. Socially disadvantaged groups are Hispanics, American Indians, African Americans, Asians, Pacific Islanders and women.

Wool, Mohair Loans, LDPs

Producers have until Jan. 31, 2006, to request loans or loan deficiency payments for 2005 crop wool and mohair that have not yet been marketed and remain in storage.

To be eligible for a nine-month marketing assistance loan or LDP for wool or mohair, producers must demonstrate compliance with wetland and highly erodible land conservation requirements.

Rural Youth Loans

Do your kids want to start their own business but lack the money to get things going? The Farm Service Agency can provide loans to youths between the ages of 10 and 20 to help them develop an agriculture-related business venture. Youth loans can provide up to \$5,000 to purchase live-

stock, equipment or raise crops. To be eligible:

- Projects must be carried out by youths participating in 4-H, FFA or similar organizations;
- A project advisor, such as a 4-H club advisor or Vo-Ag teacher, must recommend the youth's project and provide adequate supervision;
- A parent or guardian must provide a written recommendation; and
- The project must generate enough income to meet expenses and repay the loan.

2005 Acreage Spot Check Determinations, Notification

Each year the Farm Service Agency completes spot checks of acreage reports. Acreage reports are the basis for delivery of many farm programs. Acreage spot checks are completed to ensure accurate acreage reports are used for farm programs.

In 2005, FSA will spot check acreages on over 10 percent of the farms in each county. Color imagery (aerial photography) flown in July 2005 will be used to complete all acreage determinations.

All 2005 acreage spot checks will be completed using the FSA Geographic Information System official acreages.

After farms are spot checked, a Notice of Determined Acreage will be sent to the farm operator.

Notification will be issued by FSA as spot checks are completed this fall and winter. Questions concerning determined acreages should be directed to your local FSA office.

2006 Farm Record Changes

If you have sold or bought land, changed tenants or rented additional

land for 2006, please notify your county Farm Service Agency office staff so farm records can be updated.

Also, when land is purchased you need to provide the county office staff proof of ownership.

Final 2004 Counter-cyclical Payments

As this newsletter goes to press in late September, it looks like there will not be a final 2004 counter-cyclical payment for soybeans.

The final market price for corn, sorghum and soybeans will be determined in October. It appears that corn and sorghum may have a small final payment, but the soybean price will be near the target price.

If that holds true, producers who received advance counter-cyclical payments for soybeans in October 2004, will be required to refund any unearned amounts.

We already know that the final market price for wheat and oats exceeded the target price, and producers who received advance payments will have to repay the full amounts.

Affected producers will have two options for refunding unearned counter-cyclical payments.

The default option will be to reduce any Direct and Counter-cyclical Program payments received between October 2005 and March 2006 to satisfy the obligation.

The second option allows producers to write a check to Commodity Credit Corporation for the unearned payments.

Nebraska producers received advance counter-cyclical payments of 28 cents per bushel for corn, 35 cents per bushel for wheat and 18.9 cents per bushel for sorghum.

Foreign Landowner Notification

Foreign investors who buy, sell or hold a direct or indirect interest in U.S. agricultural land must report their holdings and transactions to the U.S. Secretary of Agriculture. The reporting requirement became law in 1978 when the Agricultural Foreign Investment Disclosure Act (AFIDA) was signed into law.

Failure to timely file an accurate report can result in a penalty with fines up to 25 percent of the fair market value of the agricultural land.

Who Must Report Individuals who are not U.S. citizens or citizens of the Northern Mariana Islands or the Trust Territory of the Pacific Islands.

Individuals who are not lawfully admitted to the United States for permanent residence or who are not paroled into the United States under the Immigration and Nationality Act.

Any organization created under the laws of a foreign government or which has located its principal place of business outside the United States.

Any U.S. organization in which a significant interest or substantial control is directly or indirectly held by foreign individuals, organizations or governments. Any foreign governments.

Foreign persons who owned land on Feb. 1, 1979, were required to report by Aug. 1, 1979.

Those buying or selling land on or after Feb. 2, 1979, must report the transaction within 90 days of the date of the transaction.

Where to Report The Secretary of Agriculture designated the Farm Service Agency to collect the FSA-153 reports representing foreign investment. The completed form must be returned to the FSA county office where the land is located.

Ibach Highlights Ethanol Checkoff Change

Grain producers should expect a change this fall in their corn and grain sorghum settlement receipts due to legislation approved by the 2005 Unicameral that increases the ethanol production checkoff.

Nebraska Department of Agriculture Director Greg Ibach said he wants to call attention to the legislatively mandated change so farmers aren't surprised when they take their grain to elevators, feedlots or other points of sale.

"Harvest is obviously a very busy time, so we are trying to educate producers and purchasers of grain to hopefully avoid confusion," Ibach said.

The checkoff change stems from passage of Legislative Bill 90 in the 2005 Nebraska Legislature. One of the bill's main goals is to cover the state's financial obligation under the Ethanol Development Act, which helps fund incentives for the production of ethanol.

At present, corn producers pay 3/4 cent per bushel sold and grain sorghum producers pay 3/4 cent per hundredweight sold to help support the ethanol production incentive program. On Oct. 1, 2005, that rate will increase by 1/8 cent, raising the total ethanol production checkoff on corn to 7/8 cent per bushel and the total ethanol production checkoff on grain sorghum to 7/8 cent per hundredweight.

Ibach said it is important for producers to recognize that the checkoff for ethanol production is separate from the corn promotion checkoff and the grain sorghum promotion checkoff.

"The corn promotion checkoff, administered by the Nebraska Corn Board, is 1/4 cent per bushel of corn. The grain sorghum checkoff, administered by the Nebraska Grain Sorghum Board, is 1 cent per hundredweight. Neither of these were changed by LB 90," he said.

The ethanol production checkoff should be listed separately from the corn and

grain sorghum promotion checkoffs on settlement receipts received by producers for their commodities. "Farmers should be able to tell, by reviewing their receipts, how much support they are providing to each checkoff," Ibach said.

While all three checkoff programs — the ethanol production checkoff, the corn promotion checkoff, and the grain sorghum promotion checkoff — have separate legislative mandates, they share a related overall goal: to increase consumption of two important Nebraska agriculture commodities, Ibach said.

Anyone with questions about the ethanol production incentive program should contact the Nebraska Ethanol Board at (402) 471-2941. Those with questions about the corn promotion program should call the Nebraska Corn Board at (402) 471-2676, and those with questions about the grain sorghum promotion program should call the Nebraska Grain Sorghum Board at (402) 471-4276.

Anyone with technical questions about the checkoff collection process should contact the Nebraska Department of Agriculture toll-free at (888) 766-3603.

2006 Direct and Counter-cyclical Program

That hint of autumn in the air means it's time to apply for the 2006 Direct and Counter-cyclical Program. Your county office staff will begin accepting new Direct and Counter-cyclical Program Contracts (CCC-509) on Oct. 1. Contact them for an appointment.

Several documents are required and applicable determinations must be made before the county committee can approve a producer's share on the contract for payment.

Required documents include a farm operating plan (CCC-502 and related forms), an average adjusted gross income certification (CCC-526), and a certification of compliance with highly erodible land and wetland conservation provisions (AD-1026).

2005 DCP Payment Rates	
Barley	\$0.240 per bushel
Corn	\$0.280 per bushel
Grain Sorghum	\$0.350 per bushel
Oats	\$0.024 per bushel
Other Oilseeds	\$0.800 per cwt.
Soybeans	\$0.440 per bushel
Wheat	\$0.350 per bushel

A certification of the acreage of *all* cropland on the farm (FSA-578) is required before final payments can be issued.

Signing up for DCP makes producers eligible for direct and counter-cyclical payments for eligible commodities.

Direct Payments Participants receive direct payments for eligible commodities. These payments are based on acreage bases and yields established in 2002.

Direct payment for each crop equals 85 percent of the farm's base acreages *times* the farm's direct payment yield *times* the direct payment rate. Here's an example of how the direct payment for corn is calculated.

Base acres planted to corn	100 acres
	<u>x 85%</u>
Payment acres	85 acres
Direct payment yield	x 110 bushels
Direct payment rate	<u>x \$0.28 per bushel</u>
Direct payment	\$2,618.00

Producers may elect to receive their direct payments in two installments. The first payment for the 2006 DCP contract, available in December 2005, is for up to 50 percent of the total payment.

The balance of the direct payment will be issued in October 2006. Producers who do not elect to take the first payment in December 2005 will receive the entire payment in October 2006.

Counter-cyclical Payments provide producers with a safety net. These payments kick in only when the effective price for a commodity falls below its

2005 Target Prices	
Barley	\$2.24 per bushel
Corn	\$2.63 per bushel
Grain Sorghum	\$2.57 per bushel
Oats	\$1.44 per bushel
Other Oilseeds	\$10.10 per cwt.
Soybeans	\$5.80 per bushel
Wheat	\$3.92 per bushel

target price. See the accompanying table for 2006 crop year target prices.

The counter-cyclical payment rate is the amount by which the target price exceeds the effective price. The effective price for a commodity equals the direct payment rate plus the *higher* of the national average market price received by producers during the marketing year (see example A, below) *or* the national loan rate for the commodity (example B).

Example A: If the national average market price for soybeans is \$5.10 per bushel:

Direct payment rate	\$0.44
Average market price*	<u>+ \$5.10</u>
Effective price	\$5.54

Target price	\$5.80
Effective price	<u>- \$5.54</u>
Counter-cyclical payment rate	\$0.26

(*Average market price is used since it is higher than the national loan rate.)

Example B: If the national average market price for soybeans is \$4.90 per bushel:

Direct payment rate	\$0.44
National loan rate*	<u>+ \$5.00</u>
Effective price	\$5.44

Target price	\$5.80
Effective price	<u>- \$5.44</u>
Counter-cyclical payment rate	\$0.36

(*National loan rate is used since it is higher than the average market price.)

The counter-cyclical payment equals 85 percent of the farm's base acreage *times* the farm's counter-cyclical payment yield *times* the counter-cyclical

payment rate. Here's an example using soybeans and a counter-cyclical payment rate of \$0.26 per bushel.

Base acres 100 acres
 $\times 85\%$
 Payment acres 85 acres
 Direct payment yield $\times 110$ bushel
 Direct payment rate $\times \$0.26$ per bushel
 Direct payment \$2,431.00

Counter-cyclical payments are not available for other oilseeds because the sum of their national loan rate and direct payment rate is equal to or greater than their target price.

Timing of Payments Producers may elect to receive up to three counter-cyclical payments per year.

For 2005 DCP contracts, the first partial payments are available in October 2005, and cannot exceed 35 percent of the total projected payments.

Month/Year	Commodity		
	Barley, Oats, Wheat	Corn, Sorghum, Soybeans	Other Oilseeds
October 2005	2005 1 st Adv. CC 2005 Final Direct	2005 1 st Adv. CC 2005 Final Direct	2005 Final Direct
February 2005	2005 2 nd Adv. CC	2005 2 nd Adv. CC	
July 2006	2005 Final CC		
October 2006		2005 Final CC	

The second payment, up to 70 percent of the projected payment, minus the amount of the first partial payment, is available in February 2006.

The final payments are made after the end of the marketing year for the crop.

Producers who do not elect to receive the first and second advance payments will receive the entire counter-cyclical payment after the end of the marketing year.

Producers must refund any counter-cyclical payments that exceed the actual counter-cyclical payment for a crop. This happened in 2004 when actual market prices for wheat exceeded the projected market prices used in determining the partial counter-cyclical payment paid in October 2003.

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